

Message Text

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ORIGIN L-03

INFO OCT-01 ARA-06 IO-13 ISO-00 /023 R

DRAFTED BY
APPROVED BY 12/30/76 EXT. 22152
-----031618Z 056570 /53

R 031545Z JAN 77
FM SECSTATE WASHDC
TO USMISSION USUN NEW YORK
INFO AMEMBASSY SAN JOSE

C O N F I D E N T I A L STATE 000064

USUN FOR ROBERT ROSENSTOCK LEGAL DIV ONLY

E.O. 11652: GDS

TAGS: PFOR, CS

SUBJECT: THE VESCO SITUATION

1. FOLLOWING IS THE TEXT OF A MEMORANDUM OF CONVERSATION BETWEEN JOHN MAISTO IN SAN JOSE AND PABLO GIUDICELLI. IT IS DATED DECEMBER 17, 1976. WHILE GIUDICELLI IS A SOURCE OF QUESTIONABLE RELIABILITY, HIS COMMENTS ARE, NONETHELESS, QUITE THOUGHT PROVOKING.

2. QUOTE: DON PABLO, WHO HAS HAD A LONG ACQUAINTANCESHIP WITH A NUMBER OF PEOPLE WHO WORK FOR VESCO, SPECULATED ON THE CURRENT VESCO SITUATION AS FOLLOWS:

THE RECHNITZER CASE

VESCO'S ATTORNEY PLA HAS EXPRESSED THE VIEW THAT THEY CAN BEAT THE CHARGES OF SECURITIES FRAUD BROUGHT BY RECHNITZER IN THE COSTA RICAN COURTS. JUDGE QUIROS OF THE SECOND
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COURT OF INSTRUCTION HAS A GOOD WORKING RELATIONSHIP WITH PLA. DEPUTY ALVARO TORRES VICENZI IS A GO-BETWEEN FOR THE VESCO CAMP AND THE COURT; PLA'S EXPLANATION IS THAT TORRES' INFLUENCE HELPS THE JUDGE NOT TO BE PREJUDICED ABOUT THE VESCO CASE. PABLO WAS UNABLE TO CONFIRM THAT TORRES WAS ON THE VESCO PAYROLL; HOWEVER, HE CLAIMED TO HAVE BEEN PRESENT WHEN TORRES AND PLA DISCUSSED STRATEGY OF DEALING WITH

EXTRADITION ATTEMPT

WHAT REALLY CONCERNS PLA, VESCO AND THE VESCO HONCHOS (WITH THE EXCEPTION OF ALBERTO ABREU) IS AN IMMINENT EXTRADITION ATTEMPT FROM THE U.S. IN LATE NOVEMBER THEY WERE EXPRESSING CONCERN OVER WHAT THE CARTER ADMINISTRATION IS GOING TO DO ABOUT VESCO. NORMAN LEBLANC THINKS THAT THE CARTER ADMINISTRATION WILL MAKE A STRONG DECISION EITHER TO GO WITH EXTRADITION OR TO DROP THE MATTER; THEY WILL NOT LET IT LINGER. HE THINKS THE DECISION WILL BE TO ATTEMPT EXTRADITION.

VESCO'S CURRENT PLANS

VESCO WILL STAY IN COSTA RICA UNTIL MAY OR JUNE, PABLO SAYS, AND THEN HE WILL LEAVE FOR EITHER BRAZIL OR PARAQUAY (WHETHER HE HAS OBTAINED CITIZENSHIP OR NOT). REASON: VESCO CANNOT (FOR PLN) BE A CAMPAIGN ISSUE, AND DOES NOT WANT TO BE ONE. IN THE MEANTIME VESCO IS UNLOADING HIS COSTA RICAN PROPERTIES. THE LIMON LAND PURCHASE PROJECT HAS STOPPED. THE CURRIDABAT HOUSE IS UP FOR SALE. THE RANCH IS NOT DOING WELL. CHANNEL 11 IS NOW OWNED BY THE BANK OF COSTA RICA. OTHER PROPERTIES HAVE BEEN TAKEN BY THE NATIONAL BANK. THERE IS A CASH FLOW PROBLEM.

DANIEL ODUBER'S SITUATION

VESCO FEELS THAT FIGUERES NO LONGER HAS THE POLITICAL CONFIDENTIAL

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POWER HE ONCE DID TO PROTECT VESCO, AND THAT DANIEL ODUBER COULD AND MIGHT PULL THE RUG OUT. PABLO SAID THAT THERE HAVE BEEN TWO RECENT MEASURES THAT VESCO STRONGLY FAVORED WHICH ODUBER DID NOT SUPPORT BECAUSE OF COSTA RICAN POLITICAL SITUATION: THE CONSTITUTIONAL RE-ELECTION AND OPPOSITION TO THE NEW EXTRADITION LAW. VESCO FEELS THAT ODUBER COULD - AFTER SUBMISSION OF A U.S. EXTRADITION REQUEST - EITHER EXPELL VESCO, OR PERMIT THE COURTS TO EXTRADITE.

MONSIGNOR IGANCIO TREJOS OF SAN ISIDRO DEL GENERAL HAS WRITTEN THE PRESIDENT PRIVATELY TO TELL HIM THAT IF HE PUBLICLY RECOGNIZES ERRORS MADE ON THE VESCO MATTER, THE CHURCH WILL SUPPORT HIS MEA CULPA AND WILL BACK THE PRESIDENT ON AN EXPULSION OF VESCO. VESCO'S FEAR, THEN, IS THAT THE PRESIDENT COULD ANNOUNCE TO THE NATION THAT VESCO HAS VIOLATED ALL AGREEMENTS FOR HIS STAY IN COSTA RICA, THAT THE

PRESIDENT HIMSELF HAD BEEN TAKEN IN BY VESCO, BUT NOW THAT HE WAS BLOWING THE WHISTLE. THIS COULD REDOUND TO ODUBER'S FUTURE POLITICAL BENEFIT' PABLO MUSED, LUIS ALBERTO MONGE HAS MADE POLITICAL CAPITAL OUT OF THE VESCO ISSUE. IN RESPONSE TO THE OBSERVATION THAT VESCO MIGHT HAVE INCRIMINATING EVIDENCE ON DEALINGS WITH ODUBER, PABLO NOTED THAT MONIES ARE NEVER PASSED DIRECTLY TO ODUBER. THERE ARE SIMPLY BUSINESS DEALINGS WHICH ODUBER WOULD BE ABLE TO EXPLAIN.

COMMENT:

PABLO IS A VESCO WATCHER AND EX-EMPLOYEE OF THE FINANCIER. HIS OBSERVATIONS ARE REPORTED BECAUSE HE IS STILL IN CONTACT WITH VESCO PEOPLE, HE HAS CONFIDENTIAL

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SOME FEEL FOR HOW THEY THINK AND ACT, AND BECAUSE HIS THEORY IS AN INTRIGUING ONE. PABLO NOTES THAT THE REASON FOR DANIEL ODUBER TO MOVE AGAINST VESCO IS BECAUSE MONGE HAS WON THE LIBERATION PARTY ON A ANTI-CORRUPTION, ANTI-VESCO STANCE - AND ONLY A STRONG ANTI-VESCO POSITION TAKEN BY DANIEL ODUBER COULD FREE HIM OF THIS ALBATROSS IN ODUBER'S SUCCEEDING POLITICAL YEARS IN COSTA RICA. IN COSTA RICAN POLITICAL TERMS, THIS MAKES SOME SENSE. KISSINGER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STOCKS (SECURITIES), FRAUDS, TRIALS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Sent Date: 03-Jan-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE000064
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770002-0004
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770185/aaaacvvr.tel
Line Count: 150
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c8dae4dd-c288-dd11-92da-001cc4696bcc
Office: ORIGIN L
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 31-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3672253
Secure: OPEN
Status: NATIVE
Subject: THE VESCO SITUATION
TAGS: PFOR, CS, (VESCO, ROBERT L), (GIUDECELLI, PABLO)
To: USUN NEW YORK
Type: TE
vdkgvwkey: odbcr://SAS/SAS.dbo.SAS_Docs/c8dae4dd-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009